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The following was prepared for presentation to the Children, Families, Health and Human Services Interim Committee for their scheduled meeting on January 10, 2014.

In the Legislative Fiscal Division's December 30, 2013 report to the Legislative Finance Committee it was presented that Medicaid services are projected to exceed appropriations by \$ 7.1 Million dollars. This included a cost overrun of \$0.8 Million dollars for Nursing Home Services. It was recommended that there could be general fund surplus of \$ 0.3 Million Dollars through the Home & Community Based Services (HCBS) waiver budget that could be used to offset the nursing home cost overrun.

I am here to provide information about why that would be ill advised. Current HCBS team budgets are in a budget reduction process. This occurred previous to the current fiscal year budget year began. I will provide key facts below regarding this process as it relates to our team. I strongly feel that given this fact, if there are any excess dollars, they should be filtered back through team budgets to benefit the consumers we serve as was the original intent of appropriation.

- March 2013 – The Area II Case Management Team (CMT) budget was reduced by **\$ 22,116** to address projected statewide budget shortfall.
- A slot freeze occurred at the same time and we were unable to fill slots as they became available. This was lifted before the end of the fiscal year, but resulted in increased wait list for services.
- In June 2013, we were required to prepare a budget reduction plan that resulted in the loss of an additional **\$ 84,842** to our budget for the current fiscal year.
- The cumulative result of the above is an increase in the number of folks needing services and less funds to provide needed services to the consumers already on the program.

Thank you very much for allowing me to present this information. I would be willing to provide further information if necessary.

Todd Wood SW/ Administrator in training, Area II Agency on Aging

CHILDREN & FAMILIES
January 10, 2014
Exhibit 15